

Bedford Hills, New York
December 3, 2013

A public hearing was held by the Town Board of the Town of Bedford on December 3, 2013 at the Town House, 321 Bedford Road, Bedford Hills, New York to review the proposed 2014 budget. The meeting was called to order at 7:34 P.M. by Supervisor Roberts.

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| Present: | Lee V. A. Roberts | : Supervisor |
| | Peter Chryssos | : Councilman |
| | Francis T. Corcoran | : Councilman |
| | David Gabrielson | : Councilman |
| | Chris Burdick | : Councilman |
| | Lisbeth Fumagalli | : Town Clerk |
| | Joel Sachs | : Town Attorney |
| | Kevin Winn | : Commissioner of Public Works |
| | Ed Ritter | : Comptroller |
| | Amy Pectol | : Receiver of Taxes |
| | Edward Collins | : Lieutenant, Town of Bedford Police |
| | Harry Girdlestone | : Sole Assessor |
| | Joan Gallagher | : Director of Personnel |
| | William Heidepriem | : Supt. Of Recreation and Parks |
| | Steven Fraietta | : Building Inspector |

And eight (8) residents/observers.

Mrs. Roberts called the hearing to order and requested proof of publication. Proof of publication was presented and ordered filed. The public notice was published in the Bedford Pound Ridge Record Review on November 22, 2013.

Mrs. Roberts read the following statement:

“2014 Bedford Budget

Good evening ladies and gentlemen. The good news is that the Town’s 2014 budget is balanced and falls under the State mandated tax cap. Unlike previous years where we had difficulty determining how we were going to overcome a wide budget gap, this year, several factors worked in our favor. For 2014 the tax cap was the cost of living increase which was 1.66%. In addition we were assigned a growth factor of .35% for a total levy rate increase allowance of 2.01%.

In the General Fund we have total expenditures of \$19,087,278 which is a decrease in expenditures of \$82,956 from 2013. At the same time we are projecting an increase in revenues of \$16,550. We have also been able to reduce the appropriation of fund balance by \$325,000 to \$500,000.

A large component of our budgeted expense is non-discretionary contributions to the NY State pension plan. Slight modifications in the percentage of contributions and a decline in the number of active employees can make a difference. This year we had seven police officers retire and the contribution formula was modified downward. This gave us over \$200,000 in savings that will not be reoccurring as we hire additional officers.

Health Insurance also presents a wild card in our budget deliberations as NYSHIP, our carrier, is never definitive about what the premium increase will be until the very end of November. We have budgeted for a 6% increase in health care premium but late word is that the increase will come in at 2%-good news all around!

Having our employees share in the cost of our ever increasing health care and operational cost that we do without the ability to raise large sums of money to cover annual increases that occur. We hope that these allocations help alleviate some of the financial stress that our libraries have suffered.

The Town of Bedford is in strong financial shape but we continue to be challenged by the tax cap on one hand and state mandates on the other. A long term goal of the Town Board is to have all elected officials and department heads covered by a health care plan. Next year all elected officials will be paying 20% of the cost of their coverage as will those department heads hired after January 1, 2010. Other Department Heads and white collar workers will pay 18% of the premium for health care in 2014. Our blue collar and PBA contracts remain outstanding. We are very concerned about the future costs of employee benefits in general and believe that the premiums will continue to rise in the coming years.

The DPW Fund expenditures increased \$126,829 on a total budget of \$7,409,372. As with last year we have appropriated \$250,000 from fund balance but we have been striving to move our paving expense from capital back to the operating budget where we feel it appropriately belongs. We have been fortunate to receive money from FEMA emergency declarations that have covered a great deal of the expenses incurred from super storm Sandy.

The combined budget for 2014 is \$26,927,947. This represents a tax rate of \$31.67 per thousand of assessed value or an increase of .67cents per \$1000. For the average home owner with an assessed value of \$65,000 this represents an annual increase of \$43.30 for the combined General and DPW Funds.

This is the first year of our newly separated Open Space Fund which is a 1% tax or 13cents per thousand of assessed value of your home. This tax was approved last year by our residents in a town-wide referendum. While it will generate approximately \$181,211 in revenue this year, it is not sufficient to sustain major purchases of open space in the future.

This year our debt service has been reduced by \$243,671 and we continue in our pattern of bonding every other year. Our capital projects list is constantly being reviewed and refined as our needs and finances change. Each Department Head is asked to review his projects and to prioritize his list. We have also been able to refinance some of our long-term debt and thereby gain substantial savings. Interest rates continue at historic lows which aid us in our borrowing but conversely hurt us in our savings. We are pleased that the raters have recently reaffirmed our AAA Bond rating.

On the revenue side we have been pleased to see a higher than expected rebound in the mortgage transfer tax resulting in \$1.2 million. The Town had budgeted \$850,000 in income for 2013 and have raised our expectations to \$950,000 for 2014. Our sales tax income is projected to remain in the same range as last year at \$2,400,000. We have had a modest loss in parking revenue but gains in building fees as the construction industry begins to rebound from the recession of several years.

Our three Park fund balances continue to be healthy. This past year we have seen many improvements at our hamlet parks including a storm water remediation and new picnic pavilion and lighted walkway planned for Bedford Hills. A fabulous new playground and refurbished pool house and light towers for the soccer fields in Bedford Village and new paddle tennis courts and upgrades to the shelter at the Katonah Memorial Park. Bill Heidepriem has done an excellent job at making our three parks the envy of every town in Westchester.

We are also the proud owners of a newly completed Water Filtration Plant that has been in the works for over ten years. We dedicated this new facility on Route 35 and 22 in October to rave reviews. Not only was it on budget but it is state of the art and energy efficient and best of all it produces clean delicious filtered water! We have been able to adjust our rate structure to mitigate some of the expense for our customers and thereby reward water conservation. We also have a redundancy so that when the aqueduct is shut down for repairs, we can also take water from the Cross River Reservoir. By partnering with the Department of Corrections we are able to further our cost sharing and reduce charges to our residents. Thank you, Kevin Winn, for your excellent work on this project.

Our libraries have been our partners in last five years of austerity, gamely cutting their budgets with the rest of our departments and trying to make ends meet with a combination of fundraisers and donations. Because we were able to benefit from a large reduction in the anticipated health care premium increase, the Town board has elected to give each library an additional \$20,000 lump sum that will be taken from our reserves. We appreciate that the libraries have the same fixed personnel other. There is also the additional fiscal pressure of rising personnel and benefit

costs. Our five year budget projection painted a worsening fiscal picture and one that we must be cognizant of in all of our future operations.

I am very grateful to our outstanding Department Heads who have worked so hard to provide excellent services to this community at a reasonable cost. Their dedication and professionalism is amazing and the Town Board is grateful to each and every one of them. I commend Ed Ritter for producing the 2014 budget in an efficient and relatively painless process this year. Thank you, Ed for all your efforts.

As I mentioned earlier, this year we were fortunate for a number of reasons that may not reoccur. There was an unanticipated drop in the healthcare premium projected increase. We had a large one-time reduction in the pension contributions because of a modification in the formula and the retirement of seven police officers. We refinanced our debt service and realized a large savings. The expense we incurred for super storm Sandy were more than compensated for by FEMA. And the housing market has started to rebound so that our mortgage transfer tax receipts were higher than expected.

This is your money and your Town budget. I urge you to get involved and know where your money goes. We are a town of many resources but it is imperative that we continue to carefully manage our finances in the coming years so that economic factors beyond our control do not dictate our future.”

Mrs. Roberts introduced Town Comptroller Edward Ritter who presented an overview of the Town’s finances and the proposed 2014 budget.

Mrs. Roberts opened the floor to public comment.

The directors of each of the three (3) libraries offered their thanks for the increased funding to the Board.

On a motion by Mr. Burdick, seconded by Mr. Corcoran, the following resolution was ADOPTED

Ayes: Roberts, Chryssos, Corcoran, Gabrielson, Burdick
Nays: None
Absent: None

RESOLVED that the public hearing to consider the proposed 2014 budget for the Town of Bedford be closed.

On a motion by Mrs. Roberts, seconded by Mr. Burdick, the following resolution was ADOPTED

Ayes: Roberts, Chryssos, Corcoran, Gabrielson, Burdick
Nays: None
Absent: None

RESOLVED that the Town Board does hereby adopt the Town of Bedford 2014 budget, with a lower than anticipated cost for health insurance and a tax increase of 2.15%.

There being no further discussion the hearing was adjourned at 8:01 pm.

Lisbeth Fumagalli, Town Clerk